

Moran Sponsors Legislation to Create More American Jobs

Bill Would Halt Chinese Currency Manipulation

WASHINGTON, D.C. - Congressman Jerry Moran today announced that he has sponsored legislation to help level the playing field for American manufacturers who struggle to compete against unfairly priced imports from China. The legislation, H.R. 3058, would impose tariffs on Chinese imports if the Treasury Department finds that illegal currency manipulation has been taking place.

“If we're serious about participating in a global trading system that helps, not hurts, American workers, we need to ensure that our trading partners do not manipulate their currencies to gain an unfair trade advantage,” Moran said. “Should this legislation become law, it would finally raise the stakes for Chinese trade with America.”

Some economists estimate that the Chinese currency, the yuan, is undervalued against the dollar by as much as 40 percent. Essentially, this amounts to a 40 percent discount on all Chinese exports to the U.S. and a 40 percent tariff on all U.S. exports to China. In addition, China imposes import tariffs averaging about 15 percent on U.S. goods.

This legislation would direct the Secretary of the Treasury Department to analyze and report to Congress whether China is manipulating its currency to gain a trade advantage. If the

Secretary determines that China is undervaluing the yuan, the Department is required to levy tariffs equal to the percentage of manipulation found.

In 2002, the U.S. bilateral trade deficit with China was more than \$103 billion, making it the largest bilateral trade deficit in the world. In 2003, the bilateral trade deficit is expected to exceed \$120 billion.

"The artificially valued yuan has allowed Chinese products to be sold in the U.S. for well below the cost of production, hurting our manufacturers and costing Kansans jobs," Moran said. "Our manufacturers can compete, but we need to level the playing field and eliminate unfairly priced imports from China."

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